

MINUTES OF THE MEETING
OF THE
BOARD OF MUNICIPAL UTILITIES
OF THE
CITY OF SIKESTON, MISSOURI

HELD ON THE TWELFTH DAY OF JUNE, 2018

On the twelfth day of June, 2018 the Board of Municipal Utilities met in Regular Session at 4:00 P.M. in the Board Room at the Utility office. The following members of the body were present:

Messrs: Brian Menz, Tim Merideth, Bob Smith, Alan Keenan (Smith arrived late)

Absent:

Also Present: Steven Burch, Mayor; Gerald Settles, City Council; Joe Blanton, Board Attorney; Rick Landers, Utility Manager; Marcia Witt, Jeff Winders, Don Miller, Doug Shaw, Ron Friday, Erin Miller of the Utility Staff

There being a quorum present, the following business was transacted:

Action on Agenda

There was no action on the agenda

A motion was made by Tim Merideth to accept the agenda. The motion was seconded by Alan Keenan. A roll call vote was held as follows, Merideth, Keenan, Menz "Yes" The Agenda was approved.

Action on Monthly Agenda Items

The Chairman asked for a motion to approve the minutes of the Regular Meeting of May 08, 2018. A motion was made by Tim Merideth and seconded by Alan Keenan. A roll call vote was held as follows. Menz, Keenan, Merideth "Yes". The minutes were approved as presented.

A motion was made to approve the minutes of the Special Meeting of May 09, 2018. A motion was made by Tim Merideth and seconded by Alan Keenan. A roll call vote was held as follows. Menz, Keenan, Merideth "Yes". The minutes were approved as presented.

Financial

Finance Manager Marcia Witt presented the Financial Report for April, 2018. Witt reviewed and discussed the Electric System Wholesale and Retail Pro Forma reports. The Electric Retail System had a net income of \$279,673. Total kWh sales were up 9.3% over last year. Electric Wholesale showed a net loss of \$843,927. Water Department had a net loss of

\$31,700. The Sewer Department had a net loss of \$14,005. The Sewer Lagoon had a net income of \$4,527 for a department net loss of \$9,478. Witt and GM Rick Landers commented on the new power sales agreement with the Missouri Public Utilities Alliance.

A motion to approve the report was made by Alan Keenan and was seconded by Tim Merideth. The following roll call vote was held. Smith, Merideth, Keenan, Menz "Yes". The report of the Financial Department was approved.

Retail Operations

Operations Manager Jeff Winders presented the retail operations report.

Winders reported on a severe storm on May 31. The storm hit the hardest in the west end area. Winders briefed the Board on damage, areas affected and repair efforts.

Winders reported max water usage for the month. Waters Engineering and Geosyntec are moving forward with the plan to submit our stream study to DNR.

Winders reported on the water test drilling. The test drilling crew is having promising results on the Highway 61 south location.

Winders reported on the current status of the pole inspection project and the GIS mapping project.

Winders updated the Board on the recent request to extend sewer services to the recently annexed area on Highway 61 north.

A motion was made by Alan Keenan to approve the Retail Operations Report. The motion was seconded by Bob Smith and the following roll call vote was held, Merideth, Keenan, Menz, Smith "Yes". The Retail Operations Department Report was approved.

Sikeston Power Station

Don Miller presented the report from the Sikeston Power Station for April, 2018. He reported the outage has been completed and the plant went online May 03, 2018. The plant is currently running 235 MW during peak periods and 190 MW off peak.

Miller reviewed the coal stockpile estimates and daily coal usage. One train is running at this time. He anticipates starting the second train in July.

A motion was made by Bob Smith to approve the SPS Report. The motion was seconded by Tim Merideth and the following roll call vote was held, Smith, Menz, Merideth, Keenan "Yes". The Report for the Sikeston Power Station was approved.

Retail Budgets

Marcia Witt presented the Retail Budgets for Fiscal Year 2018-2019. She reviewed budget preparation procedure, significant items expected to impact the budgets and projected revenue for the year. She reviewed the proposed budgets for the retail electric, water and sewer departments.

A motion was made by Alan Keenan to approve the proposed Retail Budgets. The motion was seconded by Bob Smith and the following roll call vote was held, Keenan, Menz, Smith, Merideth “Yes”. Retail Budgets were approved.

Audit Engagement Letter

Marcia Witt presented the audit engagement letter from BKD CPAs & Advisors. The letter gives an overview of the audit for the year ended May 31, 2018. Among items covered were objectives and scope, responsibilities and fees. This agenda item was for informational purposes only. No vote was required.

Water and Sewer Rate Study Recommendation

Finance Manager Marcia Witt presented a summary of the Water and Sewer Rate Design prepared by Utility Financial Solutions. The design presented to the Board outlines revenue projections over three years for water and sewer rate classes. The summary proposes an 12% rate increase in both water and sewer rates in each of the next three years. The proposal also included information on how the monthly bill of a typical customer will be affected by the proposed increase. Also included was a chart showing where Sikeston’s water and sewer rates would rank among other utilities in Missouri after the increase.

A motion was made by Tim Merideth to approve the proposed water and sewer rate increases. The motion was seconded by Bob Smith and the following roll call vote was held, Merideth, Keenan, Menz, Smith “Yes”. The water and sewer rate proposal was approved.

General Manager’s Report

WiFi project - The Legion Park equipment has been installed and the service is operational in the park. Equipment should be installed at the Rodeo Grounds in the next few weeks.

SPA Substation - Landers reviewed plans to construct a flood-control levee around the Southwest Power Administration substation.

Unilever - Updated the Board on status of the recent study and wastewater agreement renewal with Unilever.

Broadband Project – Awaiting response from other parties.

Fiber Audit – Reviewed problems and issues found so far in the audit. The contractor will be revising his pricing and estimated time required for the audit.

Volkswagen Settlement – Landers reported on Sikeston’s efforts with regard to the states’ electric vehicle charging project.

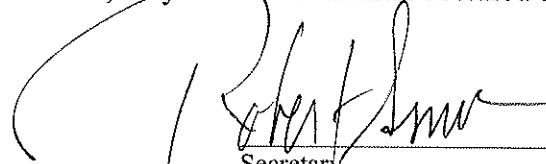
Transmission Study – Landers cited the need to begin the budgeted transmission study. A motion was made by Alan Keenan to allow the General Manager to begin the Transmission Study. The motion was seconded by Bob Smith and the following roll call vote was held, Keenan, Menz, Smith, Merideth “Yes”.

Executive Session

The Chairman cited a need to enter Executive Session. Tim Merideth made a motion to enter Executive Session. The motion was seconded by Bob Smith and the following roll call vote was held, Merideth, Smith, Keenan, Menz "Yes". The Board entered Executive Session

Adjournment

There being no further business Alan Keenan moved to adjourn the meeting. The motion was seconded by Bob Smith and a roll call vote was held, all yes. The Chairman declared the meeting adjourned.



Secretary